

Qwest swings to 3Q profit from loss

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DENVER (AFX) - Telecommunications provider Qwest Communications International Inc. said Tuesday it swung to a profit in the third quarter, helped by lower expenses and a tax-related benefit.

The company reported earnings of \$194 million, or 9 cents per share, in the July-September period compared with a loss of \$144 million, or 8 cents per share, during the same period last year.

Results in the latest quarter included a tax-related gain of \$94 million and a \$43 million severance charge. Interest expenses fell 24 percent to \$291 million in the quarter.

Revenue dipped 1 percent to \$3.49 billion from \$3.50 billion in the year-ago quarter. Results just missed analysts' expectations for \$3.5 billion in sales.

Its shares fell 44 cents, or 4.9 percent, to \$8.57 in morning trading on the New York Stock Exchange. Its shares are still nearer the upper end of their annual range of \$4.08 to \$9.22.

The company said revenue in the third quarter benefited from improving sales in high-speed Internet, advanced data products and digital voice service, particularly sales of packages that combine more than one product. Last year's revenue included \$52 million from a government contract, Qwest said.

In the first nine months of the year, the Denver-based phone company reported net income of \$399 million, or 20 cents a share, compared with a net loss of \$251 million, or 14 cents a share, in the first nine months of 2005. Revenue totaled \$10.44 billion, up from \$10.42 billion in the nine-month period of 2005.

Qwest is the primary local phone service provider in 14 mostly Western and Midwestern states.